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Attorneys for Plaintiff Federal Trade Commission

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

THEFBAMACHINE INC. et al.,

Defendants.

CIVIL ACTION NO.

FILED UNDER SEAL

**PLAINTIFF'S TEMPORARY
RECEIVER RECOMMENDATION**

Plaintiff, Federal Trade Commission ("FTC"), in connection with its Emergent *Ex Parte* Application for Temporary Restraining Order, Preliminary Injunction, and Other Equitable Relief, makes the following recommendation regarding the appointment of a temporary receiver over TheFBAMachine Inc., Passive Scaling Inc., Sales.Support New Jersey Inc., 1HR Deliveries Inc., Hourly Relief Inc., 3PL Logistic Automation Inc., FBA Support NJ Corp., Daily Distro LLC, and Closter Green Corp., doing business as Wraith & Co. (collectively, "Corporate Defendants").

Temporary Receiver Recommendation: Anthony Sodono, III

1. The FTC proposes that the Court appoint Anthony Sodono, III of McManimon, Scotland & Baumann, LLC as temporary receiver for the Corporate Defendants in this matter.
2. Mr. Sodono is well qualified to serve as a temporary receiver and has expressed a willingness to do so. Attached hereto as **Attachment A** is a letter of interest from Mr. Sodono.

3. Mr. Sodono has extensive experience with fiduciary-related services, having served as receiver in matters brought by the FTC and the Commodity Futures Trading Commission, including a matter filed *ex parte*. He has also served as assignee in assignments for the benefit of creditors and has been appointed as a special master and special fiscal agent in the New Jersey Superior Court. In addition to serving in these roles, Mr. Sodono, who is licensed to practice law in New Jersey and has been admitted to practice in this Court, has served as counsel to receivers, assignees, and fiscal agents. Attached hereto as **Attachment B** is Mr. Sodono's curriculum vitae.

4. The FTC is unaware of any conflicts of interest that would prevent Mr. Sodono from acting as a temporary receiver in this matter.

5. Should the Court desire to consider additional candidates for a temporary receiver, the FTC can provide the Court with names of highly qualified candidates located in New Jersey and the surrounding area.

Respectfully submitted,

Dated: 6-3-24



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May 1, 2024

Via Email (fkern@ftc.gov)

Frances L. Kern, Esq.
Bureau of Consumer Protection/Division of Marketing Practices
BCP/DMP / CC-8543
Org 1144 / Mail Stop CC-6316
600 Pennsylvania Avenue, NW
Washington, DC 20580

Re: Potential DNJ Receiver

Dear Ms. Kern:

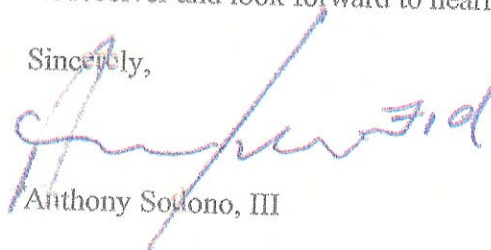
This follows our telephone conversation of this morning regarding a potential appointment as receiver in an action to be filed in the United States District Court for the District of New Jersey.

If appointed, I intend to utilize the services of my firm, McManimon, Scotland & Baumann, LLC ("MS&B"), as counsel. MS&B's hourly billing rates range from \$220 for first-year associates to \$695 for our most senior members/partners; paralegals bill at hourly rates ranging from \$145 to \$250 depending on experience. I expect that my partners, Michele M. Dudas and Sari B. Placona, primarily will be working with me on this matter along with our assistants/paralegals, Diane Perrotta and Stacy Lipstein, whose hourly rates are as follows, respectively: \$550, \$525, \$250, and \$250. My hourly rate is \$695; however, as an accommodation to the FTC, I will reduce my rate by 20 percent to \$556. In addition, I will also reduce MS&B's rates by 20 percent.

If appointed, I intend to utilize the accounting firm of EisnerAmper LLP, which has offices in multiple states and countries. EisnerAmper is well equipped to handle a large case, especially if forensic accounting is required. EisnerAmper's hourly rates range from \$195 for paraprofessional, junior accounts \$225, to senior members at \$695. EisnerAmper also agrees to a 20 percent reduce of its rates.

I thank you for consideration to serve as receiver and look forward to hearing from you.

Sincerely,



Anthony Sodono, III

AS:dp

ANTHONY SODONO, III

McMANIMON, SCOTLAND & BAUMANN, LLC
75 LIVINGSTON AVENUE • SUITE 201 • ROSELAND, NJ 07068 • 973-622-1800

EXPERIENCE

McManimon, Scotland & Baumann, LLC, Roseland, NJ Oct. 2018 – Present
Partner/Member - Chair, Bankruptcy & Restructuring Group. Commercial litigation; debtor/creditor rights; corporate and personal reorganizations; serve as assignee and counsel in assignments for benefit of creditors; appointed by Federal Trade Commission and served as receiver in a federal court action; appointed by Commodity Futures Trading Commission and served as receiver; appointed by New Jersey Superior Court judge and serves as special master and special fiscal agent; represent federal receivers and fiscal agents, Chapter 11 and Chapter 7 trustees, and creditors' committees; serve as independent director/chairman of the board; member of firm's Diversity & Inclusion Committee.

Trenk, DiPasquale, Della Fera & Sodono, P.C., West Orange, NJ 2007 – Sept. 2018
Partner/Director. Commercial litigation; debtor/creditor rights; corporate and personal reorganizations; serve as assignee and counsel in assignments for benefit of creditors; represent federal receivers and fiscal agents, Chapter 11 and Chapter 7 trustees, and creditors' committees; serve on the firm's executive committee and charged with supervising all employees; supervise firm's pro bono department.

United States Department of Justice, United States Trustee's Office, Newark, NJ 1999 – 2007
Assistant United States Trustee. Appointed by the Honorable Janet Reno, Attorney General of the United States of America, January 30, 2000; Supervised all Chapter 11 bankruptcy cases filed in New Jersey; served as trial counsel; managed staff of attorneys, accountants, paralegals, administrative personnel, and bankruptcy trustees.

Cole, Schotz, Meisel, Forman and Leonard, P.A., Hackensack, NJ 1992 – 1999
Attorney. Specialized in bankruptcy, debtor/creditor rights, and commercial litigation with extensive experience in the representation of Chapter 7 and 11 trustees.

Budd Larner, PC, Short Hills, NJ 1991 – 1992
Attorney. Specialized in bankruptcy and debtor/creditor rights.

The Honorable Daniel J. Moore, United States Bankruptcy Court, District of New Jersey, Newark, NJ 1990 – 1991
Law Clerk

Internal Revenue Service, Newark, NJ 1985 – 1990
Internal Revenue Agent, Quality Review Staff

EDUCATION

Seton Hall University School of Law, J.D., 1990

Kean University, B.S. in Accounting; Cum Laude, Omicron Delta Epsilon;
Honor Society in Economics, 1985

ADMISSIONS

- State of New Jersey
- State of New York
- Commonwealth of Pennsylvania
- Third Circuit Court of Appeals
- United States Tax Court
- United States District Court, District of New Jersey
- Supreme Court of New Jersey

MILITARY

United States Marine Corps

1976 – 1981

Sergeant. Honor Graduate/First in Class; served as Elite Guard, United States Embassies in Budapest, Hungary, and Lisbon, Portugal; several meritorious promotions; honorable discharge.

AFFILIATIONS

- Appointed by Supreme Court Justice Stuart Rabner to serve on the Supreme Court of New Jersey District Ethics Committee for Essex County, District VA
- Association of the Federal Bar of New Jersey, Bankruptcy Committee, Chair
- New Jersey Doctors of Law 100 Strong, Founder
- Lecturer for New Jersey Institute of Continuing Legal Education
- Lecturer for NJ Bankruptcy Foundation's Financial Literacy Project
- Certified Foreclosure Mediator
- Bankruptcy Court Mediator
- New Jersey State Bar Association, Bankruptcy Law Section, Chair

HONORS/DISTINCTIONS

- Super Lawyer® selection from 2012-2024
- Selected "Top Legal Mind" by *Inside New Jersey*, 2013
- AV® Preeminent™ rating by Martindale-Hubbell®, 2003-2024
- Recognized in 2004 by the United States Department of Justice, The Federal Bureau of Investigation, for "excellent work with the Bankruptcy Fraud Task Force" in achieving "notable success in major crime control efforts."
- 2007 Named Pro Bono Attorney of the Year by Volunteer Lawyers for Justice
- 2007 Legal Services Foundation of Essex County, Certificate of Appreciation, Outstanding Pro Bono Service
- 2008 Legal Services of NJ Equal Justice Medal for Low-Income Clients of Essex-Newark Legal Services
- 2010 United States Bankruptcy Court District of New Jersey Recognition of and Appreciation for Pro Bono Services Presented by Honorable Chief Judge Judith Wizmur
- Provide Pro Bono service for Legal Services, Essex County – Bankruptcy Cases
- Provide Pro Bono service for Legal Services, Essex County – Domestic Violence Cases
- Provide Pro Bono services to the "Rachel Coalition" of the Jewish Family Service of Metrowest NJ
- Provided Pro Bono services for Military Lawyers for Justice ("MLJ")
- Assisted Veterans to obtain benefits for Post-Traumatic Stress Disorder (separate from MLJ)

PUBLICATIONS

- "Bankruptcy Buyers Beware," 1998, *The Bergen Barrister*
- Author, "Key Tactics and Challenges in Chapter 12 Filings," "Chapter 12 Bankruptcy Strategies."
- Thomson Reuters/Apastore, 2014
- Co-author, "The United States Trustee," in New Jersey Bankruptcy Manual (N.J. Inst. for Continuing Legal Educ. 2d ed. 2006)

ANTHONY SODONO, III

Summary of Court-Appointed and Governmental Recommendation Cases

In 2008, I represented Richard D. Trenk, Esq., in the matter of *Sparta Chem, Inc. and Dennis J. Saccurato, FTC, State of New Jersey, and State of Michigan*. Mr. Trenk was appointed as the receiver. In conjunction with the appointment, we coordinated with the FTC and local police department to conduct a raid on the business premises. Upon entering the premises, we secured the books and records and interviewed employees. In 2018, the FTC charged Dennis J. Saccurato and his businesses, Sparta-Chem and Compu-kleen, Inc., with violation and contempt of a 1996 order barring them from making fraudulent representations to induce sales of cleaning supplies and billing for supplies that businesses did not order.

The FTC and defendants entered into a settlement whereby the defendants, for eight years, were required to digitally record all telephone calls to/from customers, preserve the recordings, and transmit such recordings to the FTC upon request. The case concluded, and the receiver was discharged.

Of more recent vintage, on July 15, 2021, I was appointed Receiver for a receivership defendant in the matter of *United States of America v. Environmental Safety International, Inc., a New Jersey Corporation, also d/b/a Environmental Products International, Inc., and EPI, et al.*, pending in the United States District Court for the District of New Jersey, at Civ. Act. No. 2:21-cv-11350-MCA-LDW. Through my efforts as Receiver, and as contemplated by the receivership order, real property of a receivership defendant was sold at auction. Funds in the amount of \$647,888.74 were turned over to the FTC. I was discharged of my duties as Receiver by order dated December 15, 2021.

In 2023, upon the recommendation of the Commodities Futures Trading Commission (“CFTC”), I was appointed the Temporary Receiver in the matter of *CFTC v. Traders Global Group, Inc, a NJ corporation d/b/a “My Forex Funds”; Traders Global Group, Inc. a Canadian Business organization; and Murtaza Kazmi*. As Temporary Receiver, I was charged with oversight and continued operation of the business. I retained an accounting firm to assist me, on a forensic basis, to analyze the books and records.

My due diligence not only included an analysis of the company’s books and records but also identified assets of the defendants in numerous accounts in the United States, Canada, Slovakia, Vanuatu and the United Kingdom.

As Temporary Receiver, I also communicated and interfaced with Ontario Securities Commission regarding freeze directives issued by the Ontario Superior Court of Justice; communicated with GoDaddy to secure and take control of the defendant company’s websites; had constant and numerous communications with the defendant company to develop a complete understanding of the business and infrastructure and urgent issues/needs of the company; assessed customer credit card “chargebacks” and interfaced with credit card companies; investigated insider transfers; acquired information related to “forex,” i.e., foreign exchange currency transactions, especially in the Czech Republic where multi-millions were held in crypto-currency; coordinated with Canadian officials to secure assets in Canada; monitored operations through the company’s websites; gained access to various accounts and other online information utilizing two-factor authentication; and addressed matters raised by the Court.

Ultimately, the Court dismissed some of the charges. Through my efforts as Temporary Receiver, we recovered \$860,461.67, and an order was entered freezing \$12,800,000 of

defendants' funds, which we identified. The Court then discharged my duties as receiver as my duties were no longer necessary.

Along the same lines, on February 2, 2023, I was appointed by the Honorable Frank J. DeAngelis, Judge, Superior Court of New Jersey, as the Special Fiscal Agent to operate the business of Aaron Excavating Service, Inc. in the matter of *Roy J. Emr and Aaron Excavating Service, Inc., v. Theresa Emr*. I was charged with not only running and operating the business with Roy and his sister Theresa but also analyzing the books and records, investigating insider transactions and determining whether the business fraudulently transferred assets. Aaron was an excavating company, and the allegations by both parties involved corporate theft and waste of assets between family members including the parties' mother. Ultimately, I was able to successfully negotiate a settlement of this bitter family feud.

In addition, on February 8, 2024, I was appointed by Judge DeAngelis in the matter of *Inventel.TV, LLC v. SmileTwice, Inc.*, to run, operate, and oversee business operations. Inventel sold products online and in stores and advertised its products as the "As Seen on TV" ads. The dispute centered around an agreement between the parties and whether the parties were using "commercially reasonable" practices. After very tense negotiations, I was able to successfully broker a settlement agreement.

Finally, on December 12, 2023, I was appointed Special Master by Judge DeAngelis in the matter of *Edward P. Bakos, Bakos Kritzer, LLP v. Noam J. Kritzer, Ryan S. McPhee*. This case involves the wind down of a law firm and multiple disputes between its former partners. Allegations center around fee sharing, expenses, improper use of corporate assets, and valuation of partnership shares. The case is ongoing. I have mediated some of the disputes, and I am hopeful of an amicable settlement.